

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

February 23, 2012

PUBLIC SESSION

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on February 23, 2012, scheduled for 1:00 p.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. William Parsons, Mr. Richard DeMerchant and Ms. Leslie Taito.

The following Director(s) were absent: Mr. Thomas Stocker.

Also present were: Sean Esten, Corporation Administrator, Adam Quinlan, Corporation Staff, Stacy Farrell, Corporation Staff, Susan Morgan, Corporation Administrator, Earl F. Queenan, Managing Director of Financial Services, Christopher Cannata, Corporation Staff, and Tom Moses, Legal Counsel, Moses & Afonso, Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 1:03 p.m.

2. Approval of the Minutes of the Meeting held on January 26, 2012.

The first item to come before the Board was approval of the Public Session Minutes and the Executive Session Minutes of the Board meeting held on January 26, 2012. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to approve the Public Session Minutes and the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. DeMerchant and Ms. Taito.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

3. Maintain the Executive Minutes of the January 26, 2012 meeting as Confidential.

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on January 26, 2012. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. DeMerchant and Ms. Taito

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

4. Report of Cash Position as of January 31, 2012.

Mr. Queenan asked if there were any questions or comments regarding the Cash Report for the period ended January 31, 2012 (Exhibit A). There being none, there was no further discussion on this report.

5. Delinquency Loan Report as of February 14, 2012.

Mr. Queenan asked if there were any questions regarding the Loan Delinquency report dated February 14, 2012 (Exhibit B), or the notes from the Delinquency subcommittee meeting which took place on February 15, 2012 (Exhibit C). There was no discussion regarding these items.

6. Appointment of Officers

Mr. Fogarty made a recommendation to elect Mr. Daniel Price, Mr. Adam Quinlan, and Mr. Earl Queenan as Administrators of the Small Business Loan Fund, as well as to elect Ms. Stacy Farrell as Secretary. Upon a motion made by Mr. Parsons and seconded by Ms. Leslie Taito, the motion to elect these officers was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Mr. DeMerchant and Ms. Taito

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

Executive Session

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Ms. Taito and seconded by Mr. Parsons, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Ms. Taito, and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

Public session concluded and executive session began at 1:05 p.m.

7. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Parsons and seconded by Ms. Taito, the following votes were ratified:

- (a) To maintain the approval requirements set forth at the prior meeting for General Fabrics, or to offer a modified approval condition as presented in Executive session.
- (b) To deny the request for a second advance of funds from JC Imports.
- (c) To approve the Collateral Subordination request of Subsalve USA Corporation subject to the conditions set forth in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Parsons, Ms. Taito, and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

8. Other Business

Staff noted that the next regularly scheduled meeting of the SBLFC Board taking place on March 22, 2012 is being moved from 9:30 a.m. to 2:00 p.m. due to a scheduling conflict for staff and Board members.

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Ms. Taito and seconded by Mr. Parsons, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons, Ms. Taito, and Mr. DeMerchant.

The following Directors voted against the foregoing: None.

The following Directors were absent for the vote: Mr. Stocker.

The meeting was adjourned at 2:03 p.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Secretary

G:\DATA\WPDATA\SBLFC\ADMINISTRATION\2012\February 2012\SBLFC Public Minutes (Feb 2012).doc